CORRECTED DIRECT TESTIMONY OF

ERIC H. BELL, P.E.

ON BEHALF OF

DOMINION ENERGY SOUTH CAROLINA, INC.

DOCKET NO. 2021-2-E

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.

A. My name is Eric H. Bell. My business address is 220 Operation Way, Cayce, South Carolina. My position is Manager - Electric Market Operations for Dominion Energy South Carolina, Inc. ("DESC" or the "Company").

Q. STATE BRIEFLY YOUR EDUCATION, BACKGROUND, AND EXPERIENCE.

A. I am a graduate of the University of Texas at Austin with a Bachelor of Science degree in Electrical Engineering and am licensed in South Carolina as a Professional Engineer. Following graduation, I served in the United States Navy as a Nuclear Submarine Officer. In 1994, I began my career with South Carolina Electric & Gas Company ("SCE&G") as Assistant Plant Engineer and, in 1997, was promoted to Operations Planner. From 2001 to 2008, I engaged in economic resource commitment efforts and, in 2008, I assumed my current role as Manager – Electric Market Operations. In this position I manage a group of Economic

Resource Commitment Planners and am responsible for managing and optimizing generation fleet dispatch and unit commitment to provide reliable, low-cost energy to DESC customers. Among other things, my responsibilities include participating in fuel purchasing decisions, unit commitment, and the coordination of activities and system data with power marketing, transmission system control, maintenance scheduling, and natural gas supply. Since June of 2019, I have also been responsible for DESC's generation planning, which includes managing the development of the Integrated Resource Plan ("IRP") and avoided cost studies.

Q. HAVE YOU PREVIOUSLY TESTIFIED AS AN EXPERT WITNESS BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA (THE "COMMISSION")?

A. Yes, I have testified before in a prior proceeding.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

The purpose of my testimony is to discuss the 11 components of value for distributed energy resource ("DER") avoided cost contained in the net energy metering ("NEM") methodology approved by the Commission in Order No. 2015-194, issued in Docket No. 2014-246-E. I also address an issue impacting the NEM Distributed Energy Resources valuation that was identified by the South Carolina Office of Regulatory Staff ("ORS") regarding the length of the planned outage for

the Jasper Generating Plant beginning in October 2021; explain an error in the calculation of NEM Distributed Energy Resources the Company identified during its investigation of the Jasper Generating Plant outage issue; and discuss the necessary changes to the NEM Distributed Energy Resources as a result of correcting the identified errors. At the end of my testimony, I also discuss a change in the fuel price used to dispatch coal-fired generation units that was implemented on January 1st of this year.

NEM BACKGROUND

Q. WHAT ARE DISTRIBUTED ENERGY RESOURCES?

A. South Carolina Code Section 58-39-120(C) defines DER as follows:

> [D]emand- and supply-side resources that can be deployed throughout the system of an electrical utility to meet the energy and reliability needs of the customers served by that system, including, but not limited to, renewable energy facilities, managed loads (including electric vehicle charging), energy storage, and other measures necessary to incorporate renewable generation resources, including load management and ancillary services, such as reserves, voltage control, and reactive power, and black start capabilities.

Q. WHAT IS NET ENERGY METERING?

A. South Carolina Code Section 58-40-10(E) defines NEM as follows:

> "Net energy metering" means using metering equipment sufficient to measure the difference between the electrical energy supplied to a customer-generator by an electrical utility and the electrical energy supplied by the customer-generator to the electricity provider over the applicable billing period.

Q. HOW IS NEM EMPLOYED ON THE COMPANY'S ELECTRIC SYSTEM?

A. For customers using solar or other DER on the system, NEM measures generation on both sides of the meter, i.e., it measures both the electricity provided by the Company to the customer as well as the electricity provided by the customer to the Company if the customer's DER generates more electricity than the customer uses. All NEM customers currently on the DESC system have installed photovoltaic ("PV") solar generation.

Q. WHAT ARE AVOIDED COSTS?

A. As Company Witness Furtick notes in his testimony, South Carolina Code Section 58-39-120(B) defines "avoided costs" as "payments for purchases of electricity made according to an electrical utility's most recently approved or established avoided cost rates in this State or rates negotiated pursuant to [the

Public Utility Regulatory Policies Act ("PURPA")], in the year the costs are incurred, for purchases of electricity from qualifying facilities pursuant to Section 210 of [PURPA]…."

PURPA and its implementing regulations require electric utilities, including DESC, to purchase electric energy from qualifying facilities ("QF") at the utilities' avoided costs. However, state public utility commissions, such as the Commission, determine the method for calculating avoided costs, which are updated on a periodic basis. PURPA and the related regulations define "avoided costs" as "the incremental costs to an electric utility of electric energy or capacity or both which, but for the purchase from the qualifying facility or qualifying facilities, such utility would generate itself or purchase from another source." 18 C.F.R. § 292.101(b)(6). The Federal Energy Regulatory Commission ("FERC") further recognizes that avoided costs include two components: "energy" and "capacity." Specifically, "[e]nergy costs are the variable costs associated with the production of electric energy (kilowatt-hours). They represent the cost of fuel, and some operating and maintenance expenses. Capacity costs are the costs associated with providing the capability to deliver energy; they consist primarily of the capital costs of facilities." *Small Power Production and Cogeneration Facilities; Regulations Implementing Section 210 of the Public Utility Regulatory Policies Act of 1978*, Order No. 69, 45 Fed. Reg. 12,214, 12,216 (Feb. 25, 1980); *see also Qualifying Facility Rates and Requirements Implementation Issues Under the Public Utility Regulatory Policies*

Act of 1978, Order No. 872-A, 173 FERC ¶ 61158 (Nov. 19, 2020) ("The [FERC] has not changed these definitions; they still apply to both 'short-run' (energy or non-firm power) and long-run (capacity or firm power) avoided costs.").

Q. WHAT APPROACH DOES DESC TAKE TO CALCULATE THE ENERGY AND CAPACITY COMPONENTS OF AVOIDED COSTS?

A. As approved by the Commission in Orders No. 2016-297, 2018-322(A), and 2019-847, DESC uses a Difference in Revenue Requirements methodology to calculate both the energy component and the capacity component of its avoided costs. This approach follows directly from PURPA's definition of avoided costs in that it involves calculating the revenue requirements between a base case and a change case. The base case is defined by DESC's existing and future fleet of generators and the hourly load profile to be served by these generators, as well as the solar facilities with which DESC has executed a power purchase agreement. The change case is the same as the base case except that, pursuant to Order No. 2020-244, a zero-cost purchase transaction is modeled at 100MW around the clock. This is the same technology neutral avoided energy cost calculation used for the PR – Standard Offer as presented by South Carolina Solar Business Alliance ("SBA") Witness Burgess in Docket 2019-184-E and endorsed by the Commission in that

proceeding.[1] For the avoided energy cost determination, a system production cost model called PROSYM, which models the least-cost commitment and dispatch of generating units to serve load hour-by-hour, makes two runs and estimates the production costs and benefits that result from the purchase transaction. The base and change cases are identical except for the zero-cost purchase transaction. The avoided energy cost is the difference between the base case costs and the change case costs.

COMPONENTS OF VALUE FOR NET ENERGY METERING DISTRIBUTED ENERGY RESOURCES

Q. WHAT ARE THE COMPONENTS OF VALUE FOR NEM DISTRIBUTED ENERGY RESOURCES?

A. In Order No. 2015-194, the Commission approved the following 11 components of value for NEM Distributed Energy Resources:

[1] The Company is using SBA Witness Burgess's energy cost calculation for purposes of this proceeding, but understands that this calculation significantly overstates the value of solar generation.

Net Energy Metering Methodology

1. +/- Avoided Energy
2. +/- Energy Losses/Line Losses
3. +/- Avoided Capacity
4. +/- Ancillary Services
5. +/- T&D Capacity
6. +/- Avoided Criteria Pollutants
7. +/- Avoided CO_2 Emission Cost
8. +/- Fuel Hedge
9. +/- Utility Integration & Interconnection Costs
10. +/- Utility Administration Costs
11. +/- Environmental Costs

= Total Value of NEM Distributed Energy Resources

As directed by the Commission in Order No. 2020-244 issued in Docket No. 2019-184-E, the Company submitted the current components of value of NEM Distributed Energy Resources to the Commission by letter dated March 26, 2020.[2] Table 1, below, shows these current components of value.

[2] For clarity, I note that in the Table of Total Value of NEM Distributed Energy Resources that was submitted to the Commission in the March 26, 2020, the header of the second column reads "IRP Planning Horizon (15-Year Levelized)." However, this column should have been captioned "10-Year Levelized" because the Commission approved the use of a 10-year period for NEM Distributed Energy Resources in Order No. 2019-847 and that was the basis on which the numbers in that column in the March 26, 2020 letter were calculated.

Table 1
Total Value of NEM Distributed Energy Resources ($/kWh)
Currently in Effect

	Current Period ($/kWh)	10-Year Levelized ($/kWh)	Components
1	$0.02784	$0.02865	Avoided Energy Costs
2	$0	$0.00379	Avoided Capacity Costs
3	$0	$0	Ancillary Services
4	$0	$0	T & D Capacity
5	$0.0000300	$0.0000300	Avoided Criteria Pollutants
6	$0	$0	Avoided CO_2 Emission Cost
7	$0	$0	Fuel Hedge
8	($0.00096)	($0.00096)	Utility Integration & Interconnection Costs
9	$0	$0	Utility Administration Costs
10	$0.00890	$0.00105	Environmental Costs
11	$0.02780	$0.03256	Subtotal
12	$0.00227	$0.00266	Line Losses @ 0.9245
13	$0.03007	$0.03522	**Total Value of NEM Distributed Energy Resources**

Q. HAS DESC UPDATED THESE COMPONENTS OF VALUE?

A. Yes. Table 2 shows the updated components of value for NEM Distributed Energy Resources. Two columns of numbers are shown: one for the current value and one for the value over the ten-year planning period. The difference between these two columns of numbers represents the future benefits of DER that are subject to recovery by the Company pursuant to Commission Order No. 2015-194 and South Carolina Code Section 58-40-20.

Table 2
Total Value of NEM Distributed Energy Resources ($/kWh)
Proposed Values

	Current Period ($/kWh)	10-Year Levelized ($/kWh)	Components
1	$0.~~0276~~02877	$0.~~0308~~03163	Avoided Energy Costs
2	$0	$0.00379	Avoided Capacity Costs
3	$0	$0	Ancillary Services
4	$0	$0	T & D Capacity
5	$0.0000011	$0.~~0000010~~0000011	Avoided Criteria Pollutants
6	$0	$0	Avoided CO_2 Emission Cost
7	$0	$0	Fuel Hedge
8	($0.00096)	($0.00096)	Utility Integration & Interconnection Costs
9	$0	$0	Utility Administration Costs
10	$0.~~0012~~00126	$0.~~0012~~00120	Environmental Costs
11	$0.~~0279~~02907	$0.~~0348~~03566	Subtotal
12	$0.~~0022~~00237	$0.~~0028~~00291	Line Losses @ 0.9245
13	$0.~~0301~~03145	$0.~~0377~~03857	**Total Value of NEM Distributed Energy Resources**

~~Q.~~ **Q. BEFORE YOU EXPLAIN EACH COMPONENT OF VALUE, DID THE COMPANY DETERMINE THAT THE PREVIOUSLY FILED NEM DISTRIBUTED ENERGY RESOURCES VALUES REQUIRED CORRECTION AS A RESULT OF ORS'S REVIEW AND ANALYSIS?**

A. Yes. As part of its regular planning and maintenance process, the Company scheduled a maintenance outage for the Jasper Generating Plant located in Jasper County, South Carolina. The outage is for the purpose of conducting necessary

maintenance and is scheduled for a 34-day outage beginning on October 24, 2021, and continuing through November 27, 2021. However, in preparing its fuel forecast, the Company inadvertently designated the outage in the production cost model as taking place from October 24, 2021, through October 27, 2021, and thus requiring only three days. This three-day outage was used in the calculation of the NEM Distributed Energy Resources values as set forth in my originally filed Direct Testimony.

During the discovery process in this proceeding, DESC provided the model data and calculations used in the proposed avoided cost values included in Table 2 of my direct testimony. While reviewing the data and calculations, ORS noticed an inconsistency between the DESC generator maintenance schedule and the forecasted production from the Jasper Generating Plant, and ORS asked the Company about the inconsistency. Upon investigation, DESC discovered that the ending date for the planned outage was input as ending on October 27 rather than November 27.

Q. DID THE COMPANY IDENTIFY ANOTHER ISSUE IN THE CALCULATION OF NEM DISTRIBUTED ENERGY RESOURCES DURING ITS INVESTIGATION OF THE JASPER GENERATING PLANT OUTAGE?

A. Yes. As part of the investigation, the Company determined that the avoided energy costs set forth in Table 2 of my direct testimony did not include a single output variable—"energy not served costs"—that contributes to the avoided energy cost component of the NEM Distributed Energy Costs. This variable was inadvertently omitted from the output control file of the PROSYM model runs.

Q. HAVE THE VALUES IN TABLE 2 BEEN UPDATED TO CORRECT THE ERRORS IDENTIFIED IN THE INVESTIGATION CONDUCTED IN RESPONSE TO ORS'S INQUIRY?

A. Yes. The company corrected the PROSYM inputs to accurately represent the length of the planned maintenance outage for the Jasper Generating Plant and to include the omitted "energy not served costs" variable, which yielded revised amounts for NEM Distributed Resources. The changes in Table 2, above, from the values proposed in Table 2 of my originally filed direct testimony are reflected in Exhibit No. (EHB-1).

Q. PLEASE BRIEFLY EXPLAIN THE CHANGES REFLECTED IN EXHIBIT NO. (EHB-1).

A. Correcting the PROSYM inputs to represent the longer single outage at the Jasper Generating Plant, which is a large and efficient generating facility, resulted in a change to Avoided Energy Costs (Line 1). This is because the reduced availability of the Jasper Generating Plant is expected to result in a higher avoided energy cost during the scheduled outage. This correction also yielded small changes to the Avoided Criteria Pollutants (Line 5) and Environmental Costs (Line 10) components, both of which address emission related components. As a result of these changes, the subtotal on Line 11 changed, as did the value for Line Losses shown on Line 12 and the Total Value of NEM Distributed Resources shown on Line 13.

Q. WHAT IS THE CHANGE IN THE TOTAL VALUE OF NEM DISTRIBUTED ENERGY RESOURCES AFTER CORRECTION OF THESE ERRORS?

A. The Total Value of NEM Distributed Energy Resources changed as follows:

Table 3
Changes in Total Value of NEM Distributed Energy Resources

	Current Period ($/kWh)	10-Year Levelized ($/kWh)	Components
13	$0.00126	$0.00083	Total Value of NEM Distributed Energy Resources

Q. NOW, TURNING TO THE COMPONENTS OF VALUE, PLEASE EXPLAIN THE COMPONENT OF VALUE FOR AVOIDED ENERGY COSTS SHOWN ON LINE NO. 1 OF TABLE 2.

A. The component of value for avoided energy costs are based on the PURPA avoided cost values previously discussed with one adjustment. The avoided energy costs are adjusted to remove the cost of criteria pollutants and environmental costs, which are then reflected in the components shown on Lines 5 and 10, i.e., Avoided Criteria Pollutants and Environmental Costs. The avoided energy costs value is based on the energy profile of a solar QF.

Q. PLEASE EXPLAIN THE COMPONENT OF VALUE FOR AVOIDED CAPACITY COSTS SHOWN ON LINE NO. 2 OF TABLE 2.

A Pursuant to Commission Order No. 2020-244, the component of value for avoided capacity is set to $3.79/MWH. The Commission adopted the recommendation of ORS Witness Horii in Docket No. 2019-184-E for the capacity value of solar. This calculation is based on the ELCC method as interpreted by

Witness Horii and applied to an annualized avoided capacity value of $66,757.50/kW. This value is applied to a solar QF energy profile and results in the value shown on Line No. 2 of Table 2.

Q. PLEASE EXPLAIN THE COMPONENT OF VALUE FOR ANCILLARY SERVICES SHOWN ON LINE NO. 3 OF TABLE 2.

A. Ancillary services refer to the need to balance the load and generation on the system and include operating reserves, both spinning and non-spinning; frequency regulation; and voltage control. DESC expects that the cost of providing these ancillary services will increase with the addition of large amounts of solar energy. DESC has assigned a value of zero to ancillary services but will address non-zero costs under the overlapping concept of integration cost on Line No. 8 of Table 2.

Q. PLEASE EXPLAIN THE COMPONENT OF VALUE FOR TRANSMISSION AND DISTRIBUTION CAPACITY SHOWN ON LINE NO. 4 OF TABLE 5.

A. DESC's NEM distributed resources do not avoid transmission or distribution capacity and therefore the value of this component is zero. The transmission and distribution peak load occur on cold winter mornings most often before sunrise and always before significant production from PV solar systems. Even if some contribution were assumed in the peak demand period, it could not be counted for planning or contingencies due to the intermittent nature of the resource. Therefore,

when evaluating the need for improvements on those power delivery systems, no contribution can be assumed from PV solar generation and no credit is given in the model when planning for a contingency.

On the distribution system, DESC's engineers must design a circuit for circumstances that will stress the circuit. In particular, since solar output is intermittent during the day and non-existent at night, engineers must also plan for when the DER are not supplying power. The distribution line must carry the load both when the DER are generating and when they are not because of weather-related factors or because the DER are offline. As such, the DER do not provide any benefit in the analysis and are not assigned value.

Q. PLEASE EXPLAIN THE COMPONENT OF VALUE FOR AVOIDED CRITERIA POLLUTANTS SHOWN ON LINE NO. 5 OF TABLE 2.

A. DESC associates a positive avoided cost value to criteria pollutants NO_x and SO_2. The avoided cost of these pollutants typically is included in the Company's avoided energy costs but these costs have been separated out in this proceeding for reporting purposes.

Q. PLEASE EXPLAIN THE COMPONENT OF VALUE FOR AVOIDED CO_2 POLLUTANTS SHOWN ON LINE NO. 6 OF TABLE 2.

A. Pursuant to Commission Order No. 2015-194, the component of value for avoided CO_2 is set at zero until state or federal laws or regulations result in an avoidable cost on utility systems for these emissions. Currently, there are no state or federal laws or regulations restricting the emission of CO_2 pollutants and, therefore, the value for CO_2 pollutants is zero.

Q. PLEASE EXPLAIN THE COMPONENT OF VALUE FOR FUEL HEDGE SHOWN ON LINE NO. 7 OF TABLE 2.

A. DESC does not hedge fuels for electric generation. Therefore, the value for fuel hedging is zero.

Q. PLEASE EXPLAIN THE COMPONENT OF VALUE FOR UTILITY INTEGRATION & INTERCONNECTION COSTS SHOWN ON LINE NO. 8 OF TABLE 2.

A. Pursuant to Commission Order No. 2020-244, issued in Docket No. 2019-184-E, the component of value for the integration charge is set to $0.96/MWH. The Commission adopted the recommendation of SBA Witness Burgess in Order No. 2020-244 to set an interim variable integration charge for solar generation. This interim integration charge will be deducted from the avoided cost credit until the

Commission orders a final integration charge. All rates based on this interim integration charge are subject to a "true-up" as provided in Order No. 2020-244.

Q. PLEASE EXPLAIN THE COMPONENT OF VALUE FOR UTILITY ADMINISTRATION COSTS SHOWN ON LINE NO. 9 OF TABLE 2.

A. At present, the administration costs of NEM Distributed Energy Resources are being collected through a DER rider being added to the fuel clause. Therefore, the value of this component for purposes of the NEM Distributed Energy Resources methodology calculation is zero.

Q. PLEASE EXPLAIN THE COMPONENT OF VALUE FOR ENVIRONMENTAL COSTS SHOWN ON LINE NO. 10 OF TABLE 2.

A. The component of "Environmental Costs" refers to any appropriate environmentally related costs that were not already included in other net metering methodology components. DESC associates a positive avoided cost value to represent the cost of certain environmental materials used in the generation of energy, such as lime, limestone, and ammonia. The avoided cost of these materials typically is included in the Company's avoided energy costs, but these costs have been separated out in this proceeding for reporting purposes.

Q. PLEASE EXPLAIN THE COMPONENT OF VALUE FOR ENERGY LOSSES/LINE LOSSES SHOWN ON LINE NO. 11 OF TABLE 2.

A. When a NEM Distributed Energy Resource serves a customer's load behind their meter or when it puts power onto the distribution system, DESC avoids having to generate that specific amount of energy. The Company also avoids the energy required to bring the power to the customer's meter or the distribution system, i.e., the line losses associated with delivering power across the system. The loss factor used for these NEM values represents the cumulative marginal line losses at a residential customer's meter.

Q. HAS THE GENERAL ASSEMBLY ENACTED LEGISLATION THAT WILL PHASE OUT THE NEM PROGRAM?

A. Yes. In South Carolina Code Section 58-40-20(B), the General Assembly requires electric utilities to make NEM available to customer-generators who apply before June 1, 2021, and allows the customer-generators to continue NEM "as provided for in Commission Order No. 2015-194 until May 31, 2029."

Q. WHAT PROGRAM HAS THE GENERAL ASSEMBLY PROVIDED FOR CUSTOMER-GENERATORS WHO APPLY AFTER MAY 31, 2021?

A. In Section 58-40-20(F), the General Assembly required development of a "solar choice metering tariff" for customer-generators who apply after May 31, 2021. DESC's solar choice metering tariff is the subject in Docket No. 2020-229-E.

Q. EVEN THOUGH THE GENERAL ASSEMBLY HAS ENACTED LEGISLATION PROVIDING FOR TERMINATION OF THE NEM PROGRAM AND ESTABLISHMENT OF THE SOLAR CHOICE PROGRAM, IS IT NECESSARY TO CONSIDER THE COSTS OF THE NEM PROGRAM IN THIS PROCEEDING?

A. Yes. Because the Company's current NEM program will continue until May 31, 2029, for customer-generators applying on or before May 31, 2021, it is necessary to consider the costs of the NEM program as part of the Company's fuel cost proceedings during the pendency of that program.

MODIFICATION OF METHOD TO DETERMINE COAL PRICE DISPATCH SIGNAL

Q. WHAT IS THE PURPOSE OF THE COAL PRICE DISPATCH SIGNAL?

A. The purpose of the coal price dispatch signal is to provide for a price point in dollars per MWH that will be utilized to dispatch coal-fired generating units in

economic order as compared to price points used for other units such as those fueled by natural gas.

Q. WHAT METHODOLOGY HAS DESC HISTORICALLY EMPLOYED TO DETERMINE THE COAL PRICE DISPATCH SIGNAL?

A. The Company historically has dispatched coal units using a fuel price signal, the weighted average cost of projected coal receipts, that is updated monthly. This fuel price signal is set in a memorandum issued monthly by DESC's fuel procurement department that summarizes the anticipated coal train receipts for the month and the average total delivered cost (cost of coal plus transportation costs) of those anticipated receipts by generation facility.

Q. WHAT IS THE NEW METHODOLOGY THAT DESC IS EMPLOYING TO DETERMINE THE COAL PRICE DISPATCH SIGNAL?

A. DESC will be using the replacement cost for coal as the dispatch signal. Replacement cost is the cost to replace the coal at the time it is consumed.

Q. WHY IS DESC CHANGING THE METHODOLOGY OF DETERMINING THE COAL PRICE DISPATCH SIGNAL?

A. Using replacement cost provides a dispatch signal that is more responsive to market changes than the prior methodology employed by DESC. The appropriate

replacement cost can be obtained from market indices that are published on a daily or weekly basis, whereas the prior methodology used a signal computed only once a month.

Using replacement cost also better reflects and incorporates into pricing the interrelated coal and natural gas markets, because natural gas units are also dispatched based off the daily commodity spot price. The Company believes that, going forward, using significantly different fuel price signals for dispatching coal and natural gas units with much different timing would be less effective and efficient. Continuing to use anticipated receipts as a signal would lag the markets and could diminish the impact of economy spot purchases.

The industry standard for a coal dispatch price signal is replacement cost. Duke Energy Carolinas, Duke Energy Progress, and the South Carolina Public Service Authority all use replacement cost as the coal price dispatch signal. The change will further intra-company consistency since Dominion Energy Virginia uses replacement cost as its coal price dispatch signal.

Q. WILL THIS CHANGE IN METHODOLOGY IMPACT THE ACCOUNTING PROCESS CURRENTLY USED FOR COAL?

A. No. The Company will continue expensing coal at the actual purchase cost as the coal is removed (consumed) from inventory.

Q. WHEN DID THE COMPANY IMPLEMENT THE CHANGE IN METHODOLOGY?

A. The change was implemented on January 1, 2021. This date for the change was selected because it was the beginning of a new fuel cost review period for the Company and because the Company also changed to a new fuel inventory management software, COMTRAC, on that same date.

Q. DID THE COMPANY MEET WITH THE OFFICE OF REGULATORY STAFF ("ORS") BEFORE IMPLEMENTING THE CHANGE IN METHODOLOGY?

A. Yes. Company personnel met with ORS representatives on November 19, 2020, to discuss the then-proposed modification to the methodology for determining the coal price dispatch signal. ORS representatives raised no objection to the change.

CONCLUSION

Q. WHAT IS DESC ASKING THE COMMISSION TO DO IN THIS PROCEEDING?

A. DESC respectfully requests that the Commission approve the calculation of the total value of NEM Distributed Energy Resources as set forth in my testimony.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.